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Programme budget for the biennium 2006-2007

**Renovation to the residence of the Secretary-General:
revised estimates to the programme budget for the
biennium 2006-2007**

Report of the Secretary-General

Summary

The present report outlines the current conditions of the residence of the Secretary-General, the renovation work needed and the related resource requirements. The last significant renovation made to the residence dates back to 1950. The ageing of the building and obsolescence of its mechanical, plumbing, heating and cooling systems have resulted in malfunctions requiring increasingly frequent emergency repairs. An immediate major structural renovation of the premises is proposed. The proposed total requirement for the renovation is estimated at \$4,490,400 and would require additional resources under the programme budget for the biennium 2006-2007.

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I. Introduction

1. The residence of the Secretary-General was originally constructed in 1921 for Anne Morgan, daughter of New York financier J. P. Morgan and acquired by the United Nations through a donation in 1972. The residence is a neo-Georgian attached townhouse, built of timber framing and faced with brick, with four full floors and a basement, totalling 14,000 square feet (1,300 square metres).

2. The last significant renovation of the residence in 1950 did not address the mechanical, electrical, plumbing, heating and cooling systems, which have since deteriorated significantly. The ageing of the building, coupled with obsolete mechanical systems, has resulted in severe malfunctions, requiring increasingly frequent emergency repairs and poses safety hazards. A major structural renovation of the residence is urgently required in order to provide the Secretary-General with the necessary safe and secure living environment that is cost-effective to maintain. Recent security threat events have further highlighted the need to strengthen the telecommunications and security equipment installations in place at the residence, which for practical reasons and for efficiency should be implemented in conjunction with the proposed structural renovation of the premises.

3. The completion of the tenure of the current Secretary-General at the end of 2006 offers a unique opportunity in terms of logistics and practical timing to initiate the proposed renovation to the residence.

II. Condition of the premises and operational deficiencies

4. Building equipment systems malfunctions have been occurring with increasing frequency at the residence, often requiring emergency repairs and temporary solutions that are inefficient and costly for the Organization. Aside from inconveniencing its occupants, the condition of the building poses safety hazards.

5. The building's heating system operates with commercial steam, and the piping and fittings that distribute the steam throughout the house are heavily corroded. They are original to the construction of the building and need to be replaced urgently. Steam leaks have been occurring with increasing frequency and magnitude, which leads to the deterioration of furnishings, plaster walls and underlying structure, which further undermines the condition of the building over time. Dissipating these leaks has required the use of several high-powered fans, which tend to overload the existing electrical circuit, causing power outages in the house. This is a highly inefficient temporary remedial measure.

6. Water leaks are also a frequent occurrence at the residence, as the plumbing system that supplies water and sewage services is deteriorating and leaking, which in turn increases the potential for further structural damage. Most of the brass or galvanized steel piping and fittings are original and no longer meet the recommended industry standard. With the exception of repairs done where limited renovations (bathroom and kitchen) prompted the replacement of small portions of plumbing lines, there has been no major upgrade or replacement of the plumbing system since the building was constructed.

7. Another frequent problem is power outages throughout the house caused by an insufficient number of electrical circuits. With the increase in power requirements of

domestic and office telecommunications and security-related equipment, the electrical circuits have become overloaded. The threat of electrical fire has also been increasing as the existing main electrical wiring, now more than 85 years old, is undersized for current standards and usages and is hindered by deteriorating fabric insulation. Recent electrical installations have incorporated a limited amount of new wiring, but without a complete overhaul afforded only by opening up all the walls, these problems, and related hazards, cannot be adequately addressed.

8. The existing telephone system at the residence is more than 10 years old and has exceeded its useful life. The installed telecommunication system is technologically obsolete, and therefore cannot support the features and functions required of a modern and secure home office communications system. A new system, with the related cabling infrastructure, is needed that will provide for connectivity between the residence and Headquarters and will support high-speed data and video communications.

9. In addition to the operational and mechanical deficiencies described above, the building has a number of outdated systems that are in disrepair, do not meet local building codes or are inefficient. An inefficient air conditioning system, which requires the seasonal installation and removal of window-mounted air conditioning units and self-contained fan-coil units throughout the house, provides inconsistent climate conditions throughout. An obsolete hot-air ducting heating system and kitchen exhaust system cannot be maintained and present a potential fire hazard. The elevator unit in the residence violates New York City safety code. Moreover, the building possesses a variety of inefficient, poorly operating and obsolete equipment. Also, the public areas of the residence, in which the Secretary-General receives high-level officials, require refurbishment.

10. Security gaps at the residence have also been identified by the Department of Safety and Security and need to be addressed. For example, the physical security operating systems do not comply with the currently established security strengthening guidelines; security of perimeter entrances and the immediate area surrounding the residence need improvements; and issues related to historical preservation of the building's external facade, which affect standard security operating procedures, necessitate modifications to the interior of the residence.

III. Renovation and regular maintenance of the residence

11. Since the United Nations acquired ownership of the property, the Organization has undertaken regular maintenance, as well as critical renovation and upgrade works, with annual expenditures of approximately \$60,000. Notwithstanding the limited expenditure amounts, the near-continual occupancy of the property has made any comprehensive renovation practically impossible. Over the past 15 years, aside from routine maintenance work, repairs and critical renovations to the residence have focused on isolated projects undertaken on an ad hoc basis to remedy emergency situations. For example, minor upgrades during transitions of Secretaries-General, include security installation upgrades, roof replacement, regrouting of the brick facing of the external building facade to halt water penetration, window replacements and the refurbishment of bathrooms.

12. The mechanical systems at the residence have outlived their standard life span and a reactive approach to maintenance is no longer sustainable. Over the past

bienniums, the Organization has spent approximately 1,100 hours of labour (HVAC, plumbing and electrical) to address deficiencies at the residence.

13. In addition to maintaining the physical condition, safety and security installations at the residence were performed in the context of strengthening the safety and security of the United Nations premises. The upgrade included the installation within the residence of an extensive sensor system able to detect smoke, heat, water, carbon monoxide, gas, motion, and glass breaks and also the installation of blast proof films on windows. While those installations addressed critical safety issues and the detection of unauthorized entries, additional security measures are required to ensure adequately the security of the Secretary-General and his/her family.

IV. Proposed additional resource requirements for the biennium 2006-2007

14. It is proposed that the United Nations undertake a significant renovation of the residence, which would include the replacement of the most critical building equipment systems, the refurbishment of the public areas used to entertain high-level dignitaries and heads of State and the upgrading of security installations. The completion of the tenure of the current Secretary-General at the end of 2006 presents a unique opportunity to carry out the proposed renovation in unoccupied premises, which would facilitate a more cost-effective, unimpeded construction access to the premises, allowing various construction works to be performed simultaneously. The time period for implementation of the renovation is estimated at nine months, from January to September 2007, subject to favourable consideration of the proposed renovation by the Sutton Place Association.

15. The proposal would require that the new Secretary-General be accommodated in temporary quarters during the renovation period. It is further envisaged that the current security coverage at the residence would be maintained during the construction period to prevent unauthorized entry or security threat to the facility, and, in addition, security measures would be put in place at the temporary accommodation of the Secretary-General.

16. The total additional requirement for the biennium 2006-2007 is estimated at \$4,490,400. The breakdown of the requirement is presented below.

Table 1
Requirements by budget section

(Thousands of United States dollars)

Budget section	2006-2007 initial appropriation	Proposed changes		Total
		Amount	Percentage	
Section 1, Overall policymaking, direction and coordination	74 813.5	202.5	0.3	75 016.0
Section 32, Construction, alteration, improvement and major maintenance	74 841.3	4 287.9	5.7	79 129.2
Total	149 654.8	4 490.4	3.0	154 145.2

17. The amount of \$4,490,400 relates to non-post requirements under section 1, Overall policymaking, direction and coordination (\$202,500), and section 32, Construction, alteration, improvement and major maintenance (\$4,287,900). The amount of \$202,500 under section 1 relates to a one-time requirement for the provision of temporary accommodation for the incoming Secretary-General and his/her family.

18. The one-time requirement amount of \$4,287,900 under section 32, Construction, alteration, improvement and major maintenance, would provide for the proposed renovation and security upgrade of the residence as itemized in the table below.

Table 2

**Cost estimate for renovation and security upgrade under section 32,
Construction, alteration, improvement and major maintenance**

(United States dollars)

A. Renovation design and construction costs	
Architectural and engineering fees	397 000
Central HVAC system	2 100 000
Electrical system upgrade	250 000
Kitchen upgrade	200 000
Entry hall restrooms refurbishment	100 000
Phone system replacement and upgrade	65 000
Public areas repairs and upgrade	425 000
Miscellaneous and landscaping	100 000
Subtotal	3 637 000
B. Security upgrades	
Access control package	85 000
Physical control system and alterations	263 500
Digital video recording system and additional cameras	137 700
Specialized monitoring sensor system	148 800
Time device and replacement monitors	8 000
Fire system upgrades with Headquarters connectivity	7 900
Subtotal	650 900
Total	4 287 900

19. Based on the above estimates, excluding the security upgrades, the cost per square foot would be approximately \$255. As a measure of comparison, high-end residential renovation projects in Manhattan typically average \$350 per square foot and up to \$500 per square foot for luxury projects.

20. In addition to the above one-time requirements, there would be recurring annual cost items estimated in the amount of \$54,500 as detailed in table 3, below. The requirement will be presented to the General Assembly in the context of the

proposed programme budget for the biennium 2008-2009. The recurring annual cost of \$4,800 under section 28D, Office of Central Support Services, would provide for the provision of voice data and video connectivity at the residence (\$3,600) and Internet wideband services (\$1,200). The recurring annual cost of \$49,700 under section 33, Safety and security, would provide for the maintenance costs of the proposed security-related equipment installations at the residence.

Table 3

Recurring costs for appropriation, 2008-2009

(United States dollars)

Section 28D, Office of Central Support Services	4 800
Section 33, Safety and security	49 700
Total additional requirements	54 500

V. Conclusions and recommendations

21. It is proposed to undertake a significant renovation of the residence. The approval by the General Assembly of the proposed renovation of the Secretary-General's residence would require resources amounting to \$4,490,400 under the programme budget for the biennium 2006-2007.

22. The additional requirements of \$4,490,400 would arise under the budget sections summarized in table 4 below.

Table 4

Additional requirements for appropriation, 2006-2007

(United States dollars)

Section 1, Overall policymaking, direction and coordination	202 500
Section 32, Construction, alteration, improvement and major maintenance	4 287 900
Total additional requirements	4 490 400

VI. Action to be taken by the General Assembly

23. The General Assembly may wish:

(a) To approve renovation of the residence of the United Nations Secretary-General;

(b) To authorize the Secretary-General to enter into commitments up to an amount of \$4,490,400 under the programme budget for the biennium 2006-2007, comprising \$202,500 under section 1, Overall policymaking, direction and coordination, and \$4,287,900 under section 32, Construction, alteration, improvement and major maintenance, and to report on expenditures in the context of the second performance report for the biennium 2006-2007.

